

## Message Text

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DEPARTMENT PASS HEW

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SUBJ: SHAPING A NEW SOCIAL SECURITY SYSTEM FOR IRAN

1. UP TO THE PRESENT TIME IRAN HAS HAD NO COMPREHENSIVE SYSTEM FOR PROVIDING SOCIAL SECURITY TO ITS CITIZENS. A SOCIAL INSURANCE ORGANIZATION HAS EXISTED FOR 21 YEARS, BUT IT SERVED ONLY INDUSTRIAL WORKERS AND THEREFORE PROVIDED PROTECTION TO JUST A SMALL SEGMENT OF THE POPULATION. MORE RECENTLY A SIMILAR INSURANCE ORGANIZATION WAS FORMED TO SERVE FARMERS WHO ACQUIRED TITLE TO THEIR LAND AS A RESULT OF THE LAND REFORM PROGRAM. WITH THE HELP OF GREATLY INCREASED OIL REVENUES, IRAN IS NOW CONVERTING ITSELF INTO AN INDUSTRIALIZED SOCIETY, AND IT NEEDS TO PROVIDE TO ITS CITIZENS BASIC PROTECTION FROM THE MORE DAMAGING SIDE EFFECTS OF THIS CHANGE. WITH THE REFORMATION OF THE GOVERNMENT OF IRAN, WHICH BEGAN IN APRIL 1974, A NEW MINISTRY OF SOCIAL WELFARE WAS CREATED, ONE OF WHOSE FOUR DIVISIONS, CONCERNS ITSELF WITH SOCIAL SECURITY. THE PREVIOUSLY EXISTING SOCIAL INSURANCE ORGANIZATIONS HAVE BEEN ABSORBED INTO IT, AND THE INTENTION IS TO EXTEND SOCIAL SECURITY ON A MANDATORY BASIS TO ALL THE ECONOMICALLY ACTIVE PERSONS IN IRAN.

2. IT IS ANTICIPATED THAT THE NEW SOCIAL SECURITY SYSTEM WILL PROVIDE BENEFITS IN TWO FORMS, IN KIND (MOSTLY MEDICAL CARE) AND IN CASH. THE CASH BENEFITS MAY BE SHORT-TERM, SUCH AS COMPENSATION FOR ILLNESS OR FOR CONFINEMENT DURING LATE PREGNANCY, OR LONG-TERM, UNCLASSIFIED

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THAT IS FOR INCAPACITATION OR RETIREMENT. THERE WILL PROBABLY

ALSO BE OTHER BENEFITS, BUT THESE ARE THE MOST ESSENTIAL ONES.

3. THE SOCIAL SECURITY DIVISION OF THE MISTRY OF SOCIAL WELFARE IS HEADED BY DR. EMRANI, WHO ENJOYS THE RANK OF UNDERSECRETARY AND HAS HAD LONG EXPERIENCE IN SOCIAL INSURANCE WORK IN IRAN. HE WILL, OF COURSE, SUPERVISE THE ORGANIZATION AND OPERATION OF ALL ASPECTS OF THE NEW SYSTEM, BUT IT IS ANTICIPATED THAT HIS SPECIAL DOMAIN WILL BE THE TECHNICAL ASPECTS OF THE INSURANCE OPERATIONS. ALSO ON THE BOARD OF THE SOCIAL SECURITY SYSTEM WILL BE TWO MEMBERS OF LESSER RANK, ONLY ONE OF WHICH HAS BEEN APPOINTED THUS FAR. DR. VAFAI, FORMERLY WITH NIOC, HAS BEEN DESIGNATED FOR THE ORGANIZATIONAL AND MANAGEMENT ROLE, AND IT IS HE WHO APPROACHED THE EMBASSY FOR ASSISTANCE IN SETTING UP THE NEW SYSTEM.

4. DR. VAFAI SEEKS ASSISTANCE FROM THE UNITED STATES IN TWO BROAD AREAS, (1) ORGANIZATION OF THE STRUCTURE TO ADMINISTER THE SOCIAL SECURITY SYSTEM AND (2) TRAINING OF THE PERSONNEL TO MAN IT. HE HAS INHERITED A CONSIDERABLE BUREAUCRACY FROM THE FORMER SOCIAL INSURANCE ORGANIZATION OF IRAN, BUT IT IS NOT ORGANIZED TO CARRY OUT THE NEW SOCIAL SECURITY PROGRAM AND ITS PERSONNEL ARE OF SUB-PROFESSIONAL LEVEL.

5. WITH REGARD TO LONG-TERM TRAINING, DR. VAFAI SEES THE NEED FOR A TWO-YEAR GRADUATE SCHOOL WHICH WILL TAKE YOUNG PEOPLE.

WITH THE B.A. ALREADY IN HAND AND TURN THEM INTO PROFESSIONALS IN THE FIELDS OF SOCIAL SECURITY AND SOCIAL WELFARE. HE HAS BEEN STUDYING AVAILABLE LITERATURE AND BELIEVES COLUMBIA UNIVERSITY AND N.Y.U. SEEM TO HAVE THE RESOURCES TO ASSIST IRAN IN THESE FIELDS. FOR THIS LONG-TERM TRAINING NO ASSISTANCE IS REQUIRED FROM THE USG, BUT THE PRESENT EMPLOYEES CANNOT BE DISMISSED EN MASSE AND HE HOPES IT WILL BE POSSIBLE TO RAISE THEIR LEVEL OF COMPETENCE THROUGH SHORT-TERM TRAINING DESIGNED SPECIFICALLY FOR THE NEW SOCIAL SECURITY PROGRAM. AMERICAN EXPERTS ARE NEEDED TO SET UP SPECIALIZED TRAINING AT SEVERAL LEVELS IN SOCIAL SECURITY ADMINISTRATION.

6. EVEN MORE URGENT IS THE NEED FOR SOUND ADVICE ON THE ORGANIZATIONAL STRUCTURE AND ON THE OPERATION OF A SOCIAL SECURITY SYSTEM FOR IRAN. DR. VAFAI NEEDS AN OPPORTUNITY TO SIT DOWN  
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WITH EXPERTS IN THE FIELDS OF INSURANCE ORGANIZATION AND INSURANCE MANAGEMENT OVER AN EXTENDED PERIOD OF TIME IN ORDER TO SHAPE THE NEW SOCIAL SECURITY SYSTEM AND THEN BUILD THE STRUCTURE THAT WILL OPERATE IT.

7. THE GOI WILL PROBABLY WANT TO INVITE WITHIN WEEKS A TEAM OF FOUR OF FIVE EXPERTS IN THESE FIELDS TO IRAN AT GOI EXPENSE IN ORDER TO ASSIST IN THE PLANNING AND IMPLEMENTATION

OF ITS SOCIAL SECURITY PROGRAM. THEY DO NOT RPT NOT WANT A TEAM WHICH WILL SPEND A YEAR WRITING A REPORT AND THEN DEPART. THEY WANT A TEAM WHICH WILL ASSESS THE SITUATION QUICKLY AND WORK CLOSELY WITH THEM IN FORMULATING INITIAL MOVES. SUBSEQUENT ASSISTANCE WILL DEPEND ON WHAT IS NEEDED, BUT IN ANY CASE THE GOI EXPECTS TO PAY THE BILL.

8. ACTION REQUESTED: THE EMBASSY REQUESTS HEW TO ASSEMBLE TWO LISTS FOR THE CONSIDERATION OF DR. VAFAI. THE FIRST OUGHT TO CONTAIN THE FULL NAMES AND ADDRESSES OF ORGANIZATIONS, EITHER GOVERNMENTAL, INSTITUTIONAL, OR PRIVATE, WHICH WOULD BE COMPETENT TO ASSIST THE GOI IN ONE OR MORE OF THE ENDEAVORS SET FORTH IN PARAGRAPHS 5 AND 6 ABOVE. THE SECOND SHOULD BE A LIST OF EXPERTS IN THE FIELDS OF SOCIAL SECURITY AND SOCIAL WELFARE TRAINING, SOCIAL SECURITY ORGANIZATION, AND SOCIAL SECURITY MANAGEMENT. IT WOULD BE APPRECIATED IF BRIEF RESUMES COULD ACCOMPANY THE SECOND LIST. AS THIS IS A MATTER OF URGENCY FOR IRAN -- BOTH THE MINISTER AND THE SHAH ASSIGN IT HIGH PRIORITY-- IT IS HOPED THAT HEW CAN RESPOND QUICKLY TO THIS REQUEST.  
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